

## Message Text

LIMITED OFFICIAL USE

PAGE 01 THE HA 01897 251441 Z

47

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 TAR-02 L-03 H-02 PA-03 PRS-01 USIA-12 AGR-20

ABF-01 RSR-01 /190 W

----- 028653

R 251350 Z APR 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 1161

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

LIMITED OFFICIAL USE THE HAGUE 1897

E. O. 11652: N/ A

TAGS: EFIN, ETRD, NL

SUBJECT: MOVES TO COUNTER DOLLAR DEVALUATION ( C- ER-3-57235)

REF: STATE 070706

SUMMARY

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DUTCH HAVE NOT TAKEN SPECIAL MEASURES TO OFFSET EFFECTS ON TRADE OF RECENT EXCHANGE RATE CHANGES. END SUMMARY.

1. WE FIND NO EVIDENCE OF EXISTING OR PROSPECTIVE SPECIAL DUTCH ARRANGEMENTS TO PROMOTE EXPORTS OR RESTRICT IMPORTS AS MEANS OF COUNTERACTING EFFECTS OF FEBRUARY CHANGES IN PARITIES.

2. GOVERNMENT OFFICIALS SEE NO CURRENT NEED TO CONSIDER SUCH ARRANGEMENTS, SINCE NETHERLANDS BALANCE OF TRADE AND CURRENT ACCOUNT ARE STRONGER THAN THEY HAVE BEEN FOR MANY YEARS, AND SINCE OVERALL REVALUATION OF GUILDER THIS YEAR VIS- A- VIS ALL TRADING PARTNERS IS MINISCULE FOLLOWING D- MARK REVALUATION.

3. IN COUNTRY WHERE EXPORT EQUALS 38 PERCENT OF GNP, EXPORT PROMOTION EFFORT IS OF COURSE ALWAYS INTENSIVE ALTHOUGH GON FINANCIAL SUPPORT IS NOW DECLINING FOR BUDGETARY REASONS. AT PRESENT, FOCUS IS ON DEVELOPING SALES TO JAPAN, WITH ONE DUTCH MISSION ORGANIZED BY SEMI- OFFICIAL CENTRAL COUNCIL FOR TRADE PROMOTION RECENTLY BACK FROM TOKYO, AND ANOTHER DUE TO LEAVE SHORTLY. HOWEVER, WHILE REVALUATION OF YEN VIS- A- VIS GUILDER MAY BE ONE CONSIDERATION FOR DUTCH PARTICIPANTS IN THIS EFFORT, GREATER IMPETUS CAME FROM DESIRE OF BOTH GOVERNMENTS TO FIND WAYS TO OFFSET STEEPLY INCREASING DUTCH IMPORTS FROM JAPAN. DEVELOPMENT OF EXPORT TO CHINA IS ANOTHER CURRENT PRIORITY OBJECTIVE.

4. ONLY MEASURES TAKEN BY DUTCH AUTHORITIES AS RESULT OF FEBRUARY MONETARY EVENTS, AS FAR AS WE CAN DETERMINE, ARE IMPOSITION OF STEEP NEGATIVE INTEREST RATE ON NONRESIDENT GUILDER BALANCES IN EXCESS OF FEBRUARY BALANCES, AS WELL AS IMPOSITION OF SUBSTANTIAL SPECIAL RESERVE REQUIREMENT ON DUTCH BANKS. OBJECTIVE OF THESE MEASURES, HOWEVER, IS NOT TO INFLUENCE EXPORTS AND IMPORTS, BUT TO ENCOURAGE OUTFLOW OF SPECULATIVE CAPITAL AND TO NEUTRALIZE ITS LIQUIDITY- CREATING EFFECTS. TANGUY

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Draft Date:** 25 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** n/a  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Content Flags:**  
**Review Date:** 15 AUG 2001  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 980209; srp 980209  
**Subject:** MOVES TO COUNTER DOLLAR DEVALUATION ( C- ER-3-57235)  
**TAGS:** EFIN, ETRD, NL  
**To:** EB  
SECSTATE WASHDC INFO BONN  
BRUSSELS  
CANBERRA  
MULTIPLE  
**Type:** TE  
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